

DOCUMENT NO. 5127
ADOPTED
12/22/85

**RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: FINAL DESIGNATION OF 1734 WASHINGTON STREET LIMITED
PARTNERSHIP
FOR DISPOSITION PARCEL SE-72
IN THE SOUTH END URBAN RENEWAL AREA
PROJECT NO. MASS R-56**

WHEREAS, the Boston Redevelopment Authority (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance in the hereinafter identified project; and

WHEREAS, the Urban Renewal Plan for the South End Urban Renewal Area, Project NO. Mass R-56 (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, state and federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion, or national origin; and

WHEREAS, 1734 Washington Street Limited Partnership has/have expressed an interest in and/or submitted a satisfactory proposal for the development of Disposition Parcel SE-72 in the South End Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment.

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That 1734 Washington Street Limited Partnership be, and hereby is, finally designated as Redeveloper of Parcel SE-72 in the South End Urban Renewal Area.
2. That it is hereby determined that 1734 Washington Street Limited Partnership possess the qualifications necessary to acquire and develop the land in accordance with the Urban Renewal plan and the Project Area.
3. That disposal of said parcel by negotiation is the appropriate method of making the land available for redevelopment.

4. That it is hereby found and determined that the proposed development will not result in significant damage to the environment and further, that all practicable feasible means and measures have been taken to avoid or minimize damage to the environment.

5. That the Director is hereby authorized, for and in behalf of the Boston Redevelopment Authority, to execute and deliver a Land Disposition Agreement and Deed conveying Parcel SE-72 to 1734 Washington Street Limited partnership, said documents to be in the Authority's usual form. The Land Disposition Agreement shall contain provisions making the conveyance of parcel SE-72 subject to 1734 Washington Street Limited Partnership submitting final working drawings and specifications and financial commitments for approval by the Authority's Director.

6. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redevelopers Statement for Public Disclosure" (Federal Form H-6004).



PARKING

AVENUE

SHAWMUT

COMET PLACE

LINCOLN

PLACE

STREET

STREET

STREET

STREET

STREET

NORTHAMPTON

NORTHAMPTON

WASHINGTON

PARCEL SE-72
1734-1740 WASHINGTON STREET

EAST SPRINGFIELD

STREET

SQUANE

WORCESTER

EAST CONCORD

CEMETERY

JAMES

STREET

AVENUE

HARRISON

BOSTON

CITY

HOSPITAL

STOUGHTON STREET



PAUL SULLIVAN HOUSING TRUST

434 Harrison Avenue
Boston, MA 02118

(617) 574-9004

Director
Ann L. Slattery

December 14, 1988

Mr. Steven Coyle
Director,
Boston Redevelopment Authority
One City Hall Plaza
Boston, MA

Dear Mr. Coyle:

The purpose of this letter is to seek your assistance relative to the Paul Sullivan Housing Trust's proposed development of 1734 Washington Street in the South End. As you know, it is the Sullivan Trust's intent to convert this vacant six family structure and store front into a 31 unit single room occupancy facility (SRO) housing low income men and women.

Since the BRA's tentative designation on November 10, 1988, the Paul Sullivan Housing Trust has had a survey completed of the property, had the building measured and as-built drawings prepared, had schematic drawings prepared by our architects, Migliassi/Jackson and Associates, scheduled a 21e survey, received an \$110,000 annual allocation of Low Income Housing Tax Credits, submitted a grant application for \$500,000 under the State's Housing Innovation Fund Program, submitted a \$60,000 grant application under the State's Abandoned Housing Program, and had preliminary discussions with the BHA relative to the allocation of Project-Based Section 8 Certificates to meet the operating costs of this property. All is progressing smoothly towards the submission of a building permit application in mid-January 1989, with a construction start around March 1, 1989.

A critical component to the financing of this property is the availability of Low Income Tax Credits. At the present time, the State has allocated all of its 1989 tax credits. However, as a result of recent technical corrections to the Low Income Housing Tax Credit Section of the Internal Revenue Code (Code Section 42), a project can qualify for 1988 Low Income Housing Tax Credits, which the State still has available, if the property is purchased in 1988 and 10% of the project costs, including acquisition, are completed by year end. While architectural and pre-construction development costs have been incurred, it will be necessary to close on the property by December 31 to reach the 10% threshold. Additionally, to insure that we have an identifiable project it is necessary to obtain title on the site by that time.

"Hospitality consists in a little fire, a little food and an immense quiet."

EMERSON

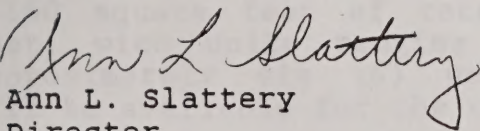
Mr. Steven Coyle
December 14, 1988
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Recently, the National Council of State Agencies sought an opinion from the Internal Revenue Service relative to this "ownership" issue. The IRS was vague and noncommittal as to whether ownership was required. The only conclusion to be drawn from this is that in the absence of a firm and explicit opinion from the IRS, the reasonable and prudent response would be to take the conservative approach and acquire the property in Calendar year 1988. To do otherwise would be putting the 1988 tax credit allocation in doubt, and thus the entire financing package in jeopardy. I have enclosed a copy of a memorandum from the Washington Law firm of Powell, Goldstein, Frazer and Murphy, which covers the issues referenced above.

In addition, the Tentative Designation for this property was given to the Paul Sullivan Housing Trust. In the Final Designation, whether it occurs in Calendar year 1988 or not, we need the designation to be made in the name of the 1734 Washington Street Limited Partnership. This would be the entity that would own and develop the property. The reason for this change in designations is that a Limited Partnership is the usual and customary legal mechanism used for bringing equity funds to real estate projects. As you know, more than 40% of project costs (\$895,000) will come from private equity sources, and a limited partnership provides a convenient vehicle for accomplishing this, while minimizing transaction costs. To be sure, the Corporate General Partner of this limited partnership will be an entity wholly owned by the Pine Street Inn, thus insuring that the project will be carried out as contemplated.

In closing, I want to express my sincere thanks to you and your staff, particularly Tom O'Malley, for being extremely accommodating and helpful to us as we pursue the development of this property. With this spirit of cooperation, I am confident that this lodging house project can be successfully implemented, and that the finished product will be a fine tribute to all of our efforts.

Sincerely,


Ann L. Slattery
Director

CC: Vin McCarthy
Tom O'Malley
Jim Keefe

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: ANTHONY A. WILLIAMS, ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING & DEVELOPMENT
THOMAS O'MALLEY, SENIOR PROJECT MANAGER
JOHN NOONE, PROJECT MANAGER

SUBJECT: SOUTH END RENEWAL AREA, PROJECT NO. MASS R-56 FINAL
DESIGNATION OF REDEVELOPERS OF PARCEL SE-72, LOCATED
1734-1740 WASHINGTON STREET AND AUTHORIZATION TO CHANGE
THE CORPORATE NAME OF THE DESIGNATED REDEVELOPER OF PARCEL
SE-72.

SUMMARY: THIS MEMORANDUM REQUESTS THAT THE AUTHORITY GRANT FINAL
DESIGNATION TO 1734 WASHINGTON STREET LIMITED PARTNERSHIP
AS REDEVELOPER OF PARCEL SE-72 FOR THE PURPOSE OF
REHABILITATING PARCEL SE-72 INTO 32 SINGLE-ROOM-OCCUPANCY
UNITS, A ONE-BEDROOM UNIT AND 3,160 SQUARE FEET OF GROUND
FLOOR RETAIL SPACE. FURTHERMORE, THIS MEMORANDUM SEEKS
TO CHANGE THE CORPORATE NAME OF THIS DESIGNATED REDEVELOPER
OF PARCEL SE-72 FROM PAUL SULLIVAN HOUSING TRUST TO 1734
WASHINGTON STREET LIMITED PARTNERSHIP.

Parcel SE-72, located at 1734-1740 Washington Street, is a vacant,
five-story brick building on 4,410 square feet of land. This building
was offered for development under Phase I of the South End Neighborhood
Housing Initiative (SENHI) Program.

On November 10, 1988, Paul Sullivan Housing Trust, (PSHT) located
at 434 Harrison Avenue, Boston, was granted tentative designation
as redeveloper of Parcel SE-72. Also at the same Board Meeting,
the Director was authorized to execute any and all legal documents
with PSHT to provide twenty thousand dollars (\$20,000) for the
planning, surveying, architectural and other front end development
costs associated with development.

The PSHT proposal calls for the renovation of 1734-1740 Washington
Street into thirty two (32) single-room occupancy (SRO) units, a
one-bedroom unit to be occupied by a live in property manager, and
3,160 square feet of retail space. The average SRO is 160 square
feet, with units ranging from 140 to 200 square feet. There are
approximately six (6) units per floor. Two kitchen/lounge areas
will be available for the uses by the residents.

For legal and financial reasons associated with the syndication of
tax benefits, Paul Sullivan Housing Trust has requested that the
name of the final designator be 1734 Washington Street Limited
Partnership ("Partnership"). The officers of this project are the

same as the officers of the Paul Sullivan Housing Trust.

The financing of the rehabilitation effort is dependent upon the availability of low income tax credits. The State has informed the Partnership and other developments that only 1988 tax credits are available. In order to utilize 1988 tax credits certain portions of the work must be performed and the building must be in the name of the entity which is seeking to take advantage of the tax credits before December 31, 1988.

While it is necessary to take steps now to help insure financial feasibility, not all aspects of the financing have been committed. This step of transferring, prior to all financing commitments being in place, is being sought because of the lack of housing production subsidies, and thus the need to utilize the 1988 low income tax credits which have recently come available because of technical changes to the laws governing the use of tax credits.

The development team and staff believe this deserving and much needed project can accumulate the needed resources to complete the project.

To ensure that the property is developed in a timely manner given the complexity of the project and in recognition of the early transfer of title without full financing being evident, the following concept shall be written into the Land Disposition Agreement (LDA) in order to protect the interests and goals of the Authority: that if the financing mechanism has not been finalized or if no major construction activity is evident within nine (9) months of the conveyance date, the property will be transferred to the Authority with no damages or penalties. The Partnership shall waive any claim of damages or compensation resulting from the retransfer.

The Partnership has agreed to purchase the property for \$150,000 with note and mortgage indicating interest and payment at the end of year fifteen (15).

It is therefore, recommended that 1734 Washington Street Limited Partnership be granted final designation as redeveloper of Parcel SE-72, located at 1734-1740 Washington Street. Furthermore, it is recommended that the Director be authorized to change the corporate name of the designated redeveloper of Parcel SE-72 from Paul Sullivan Housing Trust to 1734 Washington Street Limited Partnership.

An appropriate Vote follows:

